

107TH CONGRESS  
2D SESSION

# S. 2851

To amend the Internal Revenue Code of 1986 to increase the deduction for qualified higher education expenses to \$10,000, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

AUGUST 1, 2002

Mr. TORRICELLI introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to increase the deduction for qualified higher education expenses to \$10,000, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. DEDUCTION FOR QUALIFIED HIGHER EDU-**  
4       **CATION EXPENSES INCREASED TO \$10,000.**

5       (a) IN GENERAL.—Paragraph (2) of section 222(b)  
6       of the Internal Revenue Code of 1986 (relating to dollar  
7       limitation) is amended to read as follows:

8               “(2) APPLICABLE DOLLAR LIMIT.—

“(A) IN GENERAL.—For purposes of paragraph (1), the applicable dollar amount shall be equal to—

“(i) in the case of a taxpayer whose adjusted gross income for the taxable year does not exceed \$65,000 (\$130,000 in the case of a joint return), \$10,000,

“(ii) in the case of a taxpayer not described in clause (i) whose adjusted gross income for the taxable year does not exceed \$80,000 (\$160,000 in the case of a joint return), \$5,000, and

“(iii) in the case of any other taxpayer, zero.

“(B) ADJUSTED GROSS INCOME.—For purposes of this paragraph, adjusted gross income shall be determined—

“(i) without regard to this section and sections 911, 931, and 933, and

“(ii) after application of sections 86, 135, 137, 219, 221, and 469.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to payments made in taxable years beginning after December 31, 2001.

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